NEW YORK, SATURDAY, AUGUST 19, 1905, -Copyright, 1905, by The Sun Printing and Publishing Association

## TWO GET BOMBS.

## Infernal Machines Mailed to Schiff and Guggenheim.

### BOTH WORK OF SAME MAN?

## Office Clerks, Suspicious, Open Them, With No Harm Done.

One Addressed to "Guggenheim" Had the Name Cut From a Newspaper-Was Made of Old Cigar Box-Exploded When Put in Water-Other Sent to Schiff Had Mark "Edward VII."-Both Made With Matches, Powder and Cartridges - Schiff's Given to Police-Experts Say It Could Probably Have Done No Harm.

Two seemingly serious attempts on the life of Jacob H. Schiff, senior member of the tanking firm of Kuhn, Loeb & Co., and some or all of the members of M. Guggenheim's Sons & Co. were discovered yesterday morning. The assassin, if such he intended to be, manufactured his own weapons and it was an infernal machine in each case. That no one was even slightly injured was due to the care exercised in handling the machines by the young man who received them in each office.

The office of M. Guggenheim's Sons & Co. is on the eighth floor of the Empire Building at 71 Broadway. Meyer Guggenheim, the founder of the firm, who died recently, was also the founder of the American Smelting and Refining Company. In the last mail delivered at the firm's office, shortly after 5 o'clock Thursday afternoon, was a package which bore the following address: Guggenheim.

American Smelting & Refining Co., 71 Broadway, New York City.

The work of the day at the office is usually done by 5 o'clock and the mail of the last delivery is seldom opened until the following morning. That was the case with the mail delivered at the Guggenheims' office Thursday afternoon. It is the business of William J. Dwyer to receive, assort and, in certain cases, open the firm's mail. Shortly after he got to the office yesterday morning Dwyer looked over the meil that had come in on the last delivery the night before and found in it a package, about

ONE CAME LATE ON THURSDAY.

and tied with a string. The package attracted his attention because of the peculiar address. The firm's name had been spelled out by pasting on the wrapping of the package letters of different sizes cut from a news-

seven inches long, three inches wide and

an inch thick, done up in brown paper

\*The jagged man or the little black man ed the address. "Now I wonder what the devil a fellow wanted to go to all that trouble for!"

## HOW THE PACKAGE LOOKED.

er looked at the package for a moment or two and then removed the outside wrapper. Then he saw the small wooden box, with a piece of brown paper pasted carefully over the cover. At one end of the box Dwyer noticed the word "Smoke" and at the other end the words "La Rosa." Presumally, the box had been used at one time to hold cigars of "La Rosa" brand. Dwyer had a curiosity to know why if some one was sending the firm a box of cigars he had carefully pasted a piece of brown paper over the cover. Therefore, exercising some care, he half scraped and half tore the paper off

Then he saw something that made hi sit up and take notice. Sticking out of two holes in the wooden cover of the box were the ends of two matches. That was enough for Dwyer. He remembered, like a flash, the machine addressed to Edward Wasserman, and received at the brokerage office of Wasserman Bros. on the morning of July 21, and then and there he decided that somebody had made an attempt to dynamite the entire firm of M. Guggenheim s

Dwyer called the firm's assistant manager, Mr. Trussell, and told him of his discovery and his suspicion. Trussell looked at the box, made straight for the washstand and filled the bowl with water. Then he picked up the box and carefully deposited t in the wash basin. A couple of minutes later there was a mild and gentle explosion. BOX TURNED OVER TO A CHEMIST.

Trussell was taking no chances. He remembered that the chief chemist of the American Smelting and Refining Company, C. E. Mendeloff, was in his office on the floor below. Before Mr. Mendeloff became the chemist of the American Smelting and Refining Company he was a United States Government expert in explosives, was summoned, and after the box had soaked a while longer he made a careful examination of it.

The chemist found that the box was fitted with a cover which slid to its place in groves on either side of the box. Carefully pulling out the cover. Mr. Mendeloff found that the bottom of the box was covered with sandpaper, as was also the lower side of the cover. Two snapping matches had been inserted through holes in the cover, so that when it was removed they would scrape along the sandpaper on the bottom of the box and light. Two other matches were inserted in holes in the bottom of the box in such a way that the brimstone of each, as the cover of the box was removed. would scrape along the sandpaper on the under side of the cover. In the bottom of the box was a quantity of black powder, a test tube containing a white colored substance, and two rifle cartridges.

POWDER AND CARTRIDGES IN IT. The test tube was lying in a bed of

18 HOURS TO CHICAGO OVER

ROCK BALLAST. The "Pennsylvania Special" gives the passenger quick transfer from New York to Chicago between business hours over a smooth, dustiess road-

powder, its mouth stopped by absorbent cotton, and the cartridges were lying on either side of the test tube. It seemed to be plain that the sender of the contrivance had intended that when the cover was re moved the matches, scraping against the sandpaper, would ignite and their flame light the gunpowder, which in turn would set off the stuff in the test tube, and then the cartridges. Mr. Mendeloff took a whiff of the substance in the test tube and said that it undoubtedly contained, among other things, gasoline.

BUT TWO OF THE PIRM IN TOWN.

The only two members of the Guggenheim firm who were in town and at the office were Murray and Simon. A report of the inding of the package was made to them and it was suggested that Mr. Mendeloff take the box to the laboratory of the American Smelting and Refining Company at Perth Amboy and make so much of a chemical analysis of the contents as might be necessary to determine the exact character of the powder and the nature of the liquid in the test tube. Mr. Mendeloff left for Perth Amboy early yesterday afternoon, and returned to New Yorkl last evening.

THE BOMB MR. SCHIFF GOT. The bomb sent to Mr. Schiff was so like that received at the office of the Guggenheims as to lead to the conclusion that both contrivances were made and sent by the same person. The Schiff bomb was delivered at Kuhn, Loeb & Co.'s office, 52 William street, in the early mail yesterday

It was done up in the same sort of brown paper in which the Guggenheim machine was wrapped and bore the following address: "Jacob H. Schiff, care Kuhn, Loeb & Co., 52 William st., city.

A rule of long standing in Kuhn, Loeb & Co.'s office requires that the mail for every member of the firm, except Mr. Schiff, shall be put on the respective desks of the members to whom it is addressed. All mail addressed to Mr. Schiff, however, is first opened by a young man who has done that work for several years. When he came to the package done up in brown paper he opened it, as he had the rest of the mail, but by accident got a view of the bottom side of the package first. At once his attention was attracted to the following lettering in gilt characters:

EDWARD VII.

That was enough for the clerk and, without consulting any member of the firm, he notified the police of the Old Slip sattion. A couple of wardmen were sent to the bankers' office and took the package to the station house, from which, unopened, it was sent to the Bureau of Combustibles, at Fire Headquarters. There, a few hours later, it was examined by George Murray, superintendent of the bureau.

LOOKED LIKE A CHILD'S PENCIL BOX.

Like the Guggenheim bomb, the casing of the contrivance sent to Mr. Schiff was a wooden box, but not of the kind used to hold cigars. It more nearly resembled the boxes used by school children in which to keep pencils. It was 71/2 inches long, 11/2 inches wide and 1 inch deep. The box had a covering of olive green paper. On one end was the gilt letter "M" or "W," according to the way the box was held.

When Supt. Murray had carefully withdrawn the cover he found that the sides and bottom of the box were covered with emery paper. At the opposite end from that in which the cover was inserted lay a small cylinder made of emery paper about the size of the test tube found in sent this for sure," said Dwyer, as he ex- the Guggenheim box. The free end of the cylinder was stopped sponge. When the sponge was removed it was found that the cylinder contained gunpowder, underneath which, at the very bottom of the cylinder, were two .32 caliber cartridges.

As if to hold the emery paper cylinder in place cotton was packed around it. Three matches lay alongside the cylinder. In the fulminating end of each cartridge a small hole had been bored, evidently so that the flame from the matches, ignited by the emery paper on the bottom of the cover of the box, would explode the cartridges. At the same time it was the evident hope of the bombmaker that the cotton would also become ignited and furnish additional flame.

BOMB COULD DO LITTLE HARM. It happened, however, that the maker planned clumsily. The cartridges were so placed that the bullet ends, instead of the fulminating ends, were next to the matches and the powder. Supt. Murray said that the machine had, without doubt, been fashioned with the deliberate intent of working destruction. The person who made it, however, he added, was not thoroughly skilled in the use of explosives. and as the contrivance was constructed there was small chance of it doing much

damage, even had it exploded.

Mr. Schiff is at his country place at Bar Harbor, and has been there for three weeks. It was from there that he went to Portsmouth the other day for a conference with Mr. Witte, chief of the Russian peace envoys. All of the other members of the firm of Kuhn, Loeb & Co. are in town, and each one of them insisted yesterday afternoon that the bomb incident was simply a joke on Mr. Schiff. Louis A. Heinsheimer, in particular, insisted on taking this view of the case, and he was very much annoyed that the police and Supt. Murray of the Bureau of Combustibles had allowed the incident to gain publicity.

At Police Headquarters, however, an altogether different view of the affair was taken. It is believed there that some crank or person whose mind has become deranged through losses in Wali Street has made up his mind to blow up a few financiers. Following that notion, Acting Captain McCauley, who is in charge of the Detective Bureau in the absence in Europe of Acting Inspector O'Brien, detailed Detective Servert Arthur Carey to investigate both

geant Arthur Carey to investigate both the Guggenheim and Schiff cases. Carey believes that the Schiff and Guggenheim machines were the work of one person and is of the opinion that it is some one who has had a hard time in Wall Street and has become demented. He said last night that the machines in no way resembled the work of Rousseau or any of his friends who might be active while he is in prison.

"These machines are without doubt the work of an insane person," said the detective, "and if I make a prisoner I believe that the crazy ward at Believue will have another inmate."

SCHIFF'S SUMMER HOME GUARDED. BAR HARBOR, Me., Aug. 18.—Although Jacob H. Schiff and those about him profess to make light of the infernal machine, a most careful guard is being kept over the safety of the financier at his Bar Harbor home. Private detectives have the cottage under watch and strangers are refused admittance to the grounds. mittance to the grounds. Passers by who show any signs of loitering are politely requested to betake themselves elsewhere. One of those about him intimated to-day machine had not been entirely

## Czar Grants People a Share in the Government.

## TO ELECT NATIONAL DUMA.

## Right to Discuss Measures and Examine the State Budget.

Reservations in Certain Districts and Special Measures for Finland-Legislation Subject to the Established Institutions and the Czar's Autocratic Power-Emperor Expresses the Hope That With People's Cooperation Russia Will Pass Triumphantly Through Her Present Ordeals-Plan of the Duma.

Special Cable Despatch to THE SUN.

ST. PETERSBURG, Aug. 18.-The text of the Czar's manifesto on the subject of a national assembly, which will be issued to-morrow, is as follows:

"The Empire of Russia is formed and strengthened by the indestructible solidarity of the Czar with the people and of the people with the Czar. The concord and union of the Czar and his people is a great moral force which has created Russia in the course of centuries by protecting her from all misfortunes and all attacks, and has constituted to the present time a pledge of unity, independence, integrity, material wellbeing and intellectual development in the present and the future.

"In our manifesto of Feb. 24, 1903, we called to a close understanding all faithful sons of the fatherland in order to perfect the organization of the State by establishing solidly the order of the domestic life of the State and of them. We devoted ourselves to the task of coordinating the elective and public institutions with the governmental authorities and removing the disagreements existing between them which reacted so disastrously on the normal course of the national life.

"The Czars of our ancestors constantly had that object in view, and the time is come to follow out their good intentions and summon elected representatives from the whole of Russia to take a constant and active part in the elaboration of the laws, attaching for this purpose to the higher State institutions a special consultative body entrusted with the preliminary elaboration and discussion of measures and the examination of the State budget.

"It is for this reason that, while preserving the fundamental law regarding autocratic power, we have deemed it well to form a Gosoudarstvennaia Duma [State Council] and approve regulations for elections to this Duma, extending the validity of thes laws to the whole territory of the empire, with some exceptions only as may be considered necessary in the case of some regions in which special conditions obtain.

"As regards participation in the labors of the Gosoudarstvennaia Duma of delegates from the Grand Duchy of Finland for questions concerning the Empire in general and the Grand Duchy in particular we will take special measures. At the same time we have ordered the Minister of the Interior to submit immediately for our approbation regulations for elections to the Duma, so that delegates from fifty governments and the military province of the Don may be able to assemble not later than the middle of January, 1906.

"We reserve to ourselves entirely the care of perfecting the organization of the Gosoudarstveniaia Duma, and when the course of events has shown the necessity of changes corresponding completely to the needs of the times and the welfare of the empire we shall not fail to give at the proper moment the necessary indication.

"We are convinced that those who are elected by the confidence of the whole people, and who are now called upon to take part in the legislative work of the Government, will show themselves in the eyes of all Russia worthy of the imperial trust in virtue of which they have been invited to cooperate in this great work, and that in perfect harmony with the other institutions and authorities of State established by us they will contribute profitably and zealously to our labors for the wellbeing of our common mother, Russia, and for the strengthening of the unity, security and greatness of the empire, as well as for the tranquillity and prosperity of the

"In invoking the blessing of the Lord on the labors of the institutions established, with the unshakable confidence in the grace of God and in the infallibility of the great historical destinies reserved by Divine Providence for our beloved Fatherland we firmly hope that with the help of God Almighty and the combined efforts of all her sons Russia will emerge triumphant from the trying ordeals through which she is now passing and will renew her strength in the greatness and glory of her history, extending over a thousand years.
"NICHOLAS."

Provisions for a constitution are set forth in the document at great length. The first paragraph declares that the Duma is established for the preliminary study and discussion of legislative propositions which, according to the fundamental laws, will be submitted to the supreme autocratic authority by the council of the empire. Subsequent paragraphs decree that the members of the Duma shall be elected by population, in accordance with specified regulations, for five years. The Duma is dissolvable by the Emperor before the ex-

One Night to Chicago By the Twentieth Century Limited of the New York Central Lines. Leave New York 8:30 P. M., arrive Chicago 8:30 next morning. The fastest thousand mile ride in the world.—24.

#### piration of five years, and new elections can be ordered by imperial decree. The length of sessions and adjournments

are to be determined by the Emperor. The expenses of the Duma are to be defrayed from the imperial treasury. The President and Vice-President are to be elected annually from among the members. The President shall report to the Emperor.

The members take the following oath: We promise to perform our duties to the best of our knowledge and ability, in all loyalty to his Majesty and mindful only of the welfare of Russia."

The members of the Duma will enjoy bsolute freedom in expressing their opino on matters within the competence of the Duma, and they are not responsible to their Rectors. They can only be deprived of liberty by order of the judicial powers, and cannot be arrested for debt.

Various circumstances involving the loss of membership are set forth, but the members are only temporarily barred from attending sessions if accused and prosecuted for crime or declared bankrupt. The members are to get ten rubles a

day during the session plus a specified sum for traveling expenses. Ministers and chiefs of departments cannot become mem bers, but they may attend the sessions to make explanations. The competence of the Duma is thus stated:

"The competence of the Duma shall extend (a) to all questions relating to new laws and the modification or amplification and temporary suspension or appeal of existing laws; also to making or altering appointments to the staffs of the Ministries and to the expenditure thereby involved; (b) To departmental, ministerial and national budgets and to other expenditures not profor therein. (C) To the financial report of the Comptroller of the empire. (D) To the expropriation of any portion of the revenue or property of the State (E) To the construction of railways by the State. (F) To the organization of stock companies involving exceptions from existing legislation. (G) To matters submitted to the Dums by Imperial decree."

The Duma is to have jurisdiction in the matter of taxes in provinces where there are no zemstvos, as well as in raising the rate of taxation above that provided by zemstvos and city councils. The Duma is to have the initiative in the matter of the repeal or modification of old and the adoption of new laws, but the fundamental law of the imperial administration shall not be touched. The Duma may call the attention of ministers and chiefs of departments to infractions of existing laws.

### PURSUING TAX DODGERS.

### People Who Swore Off in New York Assessed in Suffolk.

RIVERHEAD, Aug. 18 .- The New York State Tax Commission met here to-day in conjunction with the Suffolk county assesors and the Equalization Commission. sioner Stearns, chairman of the poard; Commissioner Halpin of New York and Secretary Thompson of Buffalo composed the State Tax Commission.

An urgent appeal was made to the assessors to look out for the New York personal tax dodgers. The assessors were charged not to pay any attention to letters, as "nothing but affidavits count in tax matters." The New York city Tax Commissioners have sent a long list of wealthy people who have sworn that they reside in Suffolk county to the rural assessors.

The list aggregated more than \$2,500,000. Practically all was added to Suffolk's roll. Some of it was sworn off on grievance day, but there still remains a large portion.

The State Tax Commissioners said in their judgment Tammany leader Charles F. Murphy paid \$25,000 more for his handsome country estate at Good Ground than it was really worth. Murphy paid in the neighborhood of \$45,000 for the house. It is assessed at \$15,000.

## FOOTPADS ROB WOMEN.

### One Holds Her While Second Takes Cash and Jewelry on Bowery Bay Road.

Mrs. Annie Coleman, who lives at old Bowery Bay road, and Flushing avenue, Long Island City, was held up and robbed by two highwaymen late on Thursday night. The matter was reported to the police, but an effort was made to keep it

quiet. Mrs. Coleman, had not noticed the men until she was seized by them. They appear to have stepped out of the darkness on either side of her. One of them threw his arm about her neck and placed a hand over her mouth, at the same moment drawing her head and shoulders backward.

He held her helpless thus for a minute, while she vainly struggled against the from the ground and she could obtain no everage to fight from.

The second man tore her watch from its pin. It was a valuable gold one. Her pin was torn from the collar of her waist and her handbag was taken from her. On one of her hands was a ring with a valuable stone. This was revealed to the thief when she seized the hand over her mouth. He grabbed her hand, twisted the finger back, almost breaking it, and slipped the ring and a small gold guard ring from the finger.

Then at a word from the man who did the stealing the other let go of her, at the same time giving her a swing and twist which almost threw her down. By the time the frightened women could scream the men were some distance away and were out of sight before any one appeared from ouses near by. In the satchel was about

### ROOSEVELT FAMILY PICNIC. President and Boys Row to Lloyd's Neck -Kermit Goes West.

OYSTER BAY, Aug. 18.- President Roosevelt and his family went on a picnic to-day to Lloyd's Neck, about eight miles beyond Sagamore Hill. The party went by boat, and the President and his boys did the rowing. They left in the morning and did not eturn until late in the afternoon.

Kermit Roosevelt left to-day for Dead wood, S. D., where he will spend three or four weeks on the ranch of the President's old friend, Seth Bullock, the ancient cowboy.

### BRINGS HEROWN MUSIC TEACHER, Wealthy New York Woman Pays Antonic Mielke \$8,000 to Leave Berlin.

Special Cable Despatch to THE SUN. BERLIN, Aug. 18 .- A wealthy New York woman who had been taking music lessons from Antonio Mielke, wishing to continue his services after returning home, engaged nim until Sept. 1, 1906, for \$8,000. Mielke has already sailed for the United States.

Insist upon having Burnett's Vanilla.-Ade

# ROOSEVELT NOW TO TAKE A HAND

## Peace Envoys, in Deadlock, Will Talk It Over With the President.

## RECESS UNTIL TUESDAY.

## Can't Agree on Indemnity or Limitation of Russian Naval Power.

Witte Argues Against Such Humbling of Russian Pride, but Japanese Remain Firm in Their Demand-Hope That Further Instructions From Tokio or St. Petersburg Will Relieve the Situatton Before the Conference Reassembles-Belief at Portsmouth That Roosevelt Will Have the Support of France and Germany in His Efforts to Smooth the Way for an Agreement -Secretaries to Prepare Protocols on the Terms Aircady Adopted-Provision Made to Continue the Sessions at Least Until Wednesday-Witte Pleased at News of Czar's Grant of Reforms.

PORTSMOUTH, N. H., Aug. 18 .- President Roosevelt has determined to make a final effort to prevent the peace negotiations from ending in failure.

It is expected that he will have a conference within the next two days with the representatives of Russia and Japan for the purpose of impressing on them the necessity of reaching an amicable agree-

At this writing nothing more can be said, but the above information may be accepted as authentic.

### ENVOYS ADJOURN TO TUESDAY. The peace conference has adjourned until

ext Tuesday, ostensibly to give time for the preparation of a protocol setting forth the terms of agreement and disagreement. According to the Russians the exchanges are at an end and there will be no peace.

The Japanese, however, maintain through their spokesman that there is still hope. They base this opinion apparently on the belief that their opponents are bluffing and will make concessions rather than see the negotiations fail. But nobody seems to know definitely what Tuesday has in store. In the four

days that will elapse before the Russian and the Japanese envoys reassemble they governments and there will be plenty of time to receive responses. There can be little doubt that it was to afford this opportunity for consultation with St. Petersburg and Tokio that the plenipotentiaries agreed to such a long recess.

The chance for peace has grown stronger with the continuance of the conference, in spite of statements to the contrary from those most concerned, and it is believed that one more effort will be made, when the envoys face each other again, to reach a satisfactory understanding.

## TIME FOR OUTSIDE INFLUENCE.

The four days recess is important in another particular. It will permit an interchange of views between the neutral Powers. Among those at Portsmouth whose opinions are worthy of notice there is a general expectation that every effort will be made by some of the great European nations and the United States to establish a common ground for bringing influence other man. Her feet were partly lifted to bear upon both Russia and Japan to prevent the conference ending abortively.

From the very first the belief has been prevalent here that President Roosevelt, to whose initiative the present exchanges are due, would not stand idly by if he were confronted by the fact that the plenipotentiaries of the Far Eastern belligerents were to adjourn without having accomplished the momentous task which brought them to America. In the understanding that prevails to-night, namely that the conference will be barren of results if something to change present conditions is not done, now is the time for the President to act. Should be again assume the initiative he would without question have the cordial support of the German Kaiser and perhaps of the President of France. The best unofficial opinion is that he will act.

INDEMNITY AND LIMITATION THE ISSUES. The real crisis in the negotiations is now in progress. Mr. Witte and Baron Rosen, the Czar's emissaries, are represented by those who seem to have their confidence as having gone to the limit of their instructions. They can go no further, it is asserted, without additional advices from their imperial master.

As for the Japanese plenipotentiaries, nobody with the exception of themselves and the few who maintain intimate official relations with them is aware of what they intend to do. They are silent, unfathomable. If they have more cards to play they are keeping the fact to themselves. Much may depend in the final outcome of this great history making game upon the attitude they will display when a break appears to be certain.

Japan's demands for indemnification for

"THE SKYLIGHT ROOM." masterpiece of short-story writing by O. y in to-morrow's Sunday World.—Ads.

### the cost to which she has been put to prosecute the war and for the limitation of Russia's naval strength in the Far East are the rocks which threaten the ship of peace with its two strangely absorted crews.

If all that is being said to-night in the lobby of the Wentworth is to be believed, the ship is already on the rocks, with no hope of salvation. The envoys have utterly failed to agree upon these two points of dispute. There are other 'notes of divergence." but indemnity and limitation overshadow them.

The question of the cession of Sakhalin Island to Japan has not been officially disposed of, but it will be adjusted without difficulty if an agreement is reached upon the more important subjects.

### THE INTERNED SHIPS

The same applies to the matter of the Russian warships interned at neutral ports, which Japan demands as prizes of war. The basis of agreement upon this ships. Both sides, in statements made point has been found in the fact that Japan has not insisted upon the possession of all her enemy's war vessels now in the custody of neutral nations, but only those which had marticipated in engagements and were obliged to take refuge in friendly ports to save themselves from capture or destruc-

Among the vessels in this limited category are the three cruisers of Rear Admiral Enquist's squadron which sought safety in Manila Bay after they had sustained serious injury in the battle of the Sea of

Under the Japanese proposal the cruiser Lena, now interned at the Mare Island Navy Yard, near San Francisco, and other Russian vessels which placed themselves under the guardianship of the Chinese Government in the earlier stages of the war are not claimed.

The Japanese demand for fishing rights in the waters of Siberia, opposite the island of Sakhalin, was disposed of to-day, the Russian envoys conceding what their oppo-

This then leaves only the demands reating to indemnity and the limitation of Russian naval strength as formidable obstacles to be overcome before peace can be restored, although the Czar's missionaries contend that Sakhalin can be added.

### JAPAN'S WISH NOT STATED.

The Russians maintain as stoutly as ever that they will not pay a penny to Japan, but they probably would consent to reconsider that position if the Tokio Government would modify its attitude by suggesting a compromise on a reduction of prices. At least that is the feeling here in Portsmouth, where one hears much that seems to bear the earmarks of authority, but whose source cannot be traced.

When the indemnity proposal was under consideration by the conferees the point was never reached where an estimate was submitted of the amount Russia would be required to pay if she yielded to the indemnity demand. Most of the discussion was general, the Russians protesting that pride and honor would not permit them to accept will communicate with their respective this humiliation and the Japanese with exasperating and consistent comp maintaining that they could not recede. There the matter rested.

> Most of to-day's two sessions were occupied in fighting over the demand for the limitation of Russia's naval strength on the Pacific. With all the eloquence at his command Mr. Witte asserted that his Government could not and would not permit itself to be so humbled in the eyes of the world as compliance with this condition of Japan would require. He offered, however, a slight concession. He said that Russia would be willing to make a declaration that for a limited period she would not increase her naval forces in Far Eastern waters, but he declared that she would not consent to be bound by a pledge of that character that would exist for all

time, as the Japanese desired. Baron Komura and Mr. Witte were obdurate. They clung tenaciously to a complete compliance with the letter of their condition and refused to accept any sugges-

tions of a compromise. The usual "note of divergence" was recorded when the envoys found they could

JAPAN MAY HAVE SURPRISE IN STORE. There is some reason to hope that the Japanese will make concessions rather than see the conference end disastrously. This information comes at second hand, but it is regarded as reliable. It is said to-night that Baron Komura and Mr. Takahira have already recommended to the Tokio Government that the Japanese position be modified on certain points. They have apparently exhausted their present powers and must await new instructions before changing the position they have assumed upon every point in dispute.

In some quarters there has been a feeling ever since the Portsmouth conference got under way that the Japanese had a surprise in store. That their original demands did not constitute the "irreducible minimum" of which so much has been said was made apparent by their concessions with respect to Corea and the Eastern Chinese Railway. Their attitude has verified the words of Mr. Sato, their official mouthpiece, that "Japan comes here desirous of peace, not to dictate terms."

Mr. Sato has on more than one occasion recently shown himself to be distinctly optimistic. In the earlier stages of the negotiations he indicated, cautiously it is true, but nevertheless clearly enough to leave no doubt as to his meaning, that the outlook was very gloomy. To-night Mr. Sato smilingly said that

things were not as black as they seemed, and he intimated that hope of peace should not be abandoned. If Mr. Sato were not so extremely careful in all his communications to the press his words might not be

regarded as having an important bearing on the situation, but when it is remembered that Mr. Sato is always discreet, that his remarks are carefully measured before he utters them and that he is held responsible to his immediate chiefs, the two envoys of Japan, for all that he says, his optimism may not improperly be construed as indicating that the Japanese will spring a happy surprise if the breaking off point is reached in the Portsmouth exchanges.

PRICE TWO CENTS.

### PRESENT PLANS.

It was explained this evening that between now and next Tuesday the secre. taries of the two missions will be engaged in drafting the protocol setting forth the agreements that have been reached on certain points and also the disagreements that have been noted with respect to the demands of Japan for the session of Sakhalin Island, indemnity, the limitation of naval strength and the surrender of interned orally, agreed that, even if these protocols were signed, it would not then be too late to reach an amicable agreement upon all matters in dispute if a basis of compro-

mise were proposed. It was learned this evening that even should there be a failure to change existing conditions when the envoys hold their next session on Tuesday a final break will not come on that day. A meeting will be held on W.dnesday according to present intentions, and this is in itself an additional reason for not abandoning hope.

## WITTE ON RUSSIAN FEELING.

When Mr. Witte was informed to-night that the Czar had issued a ukase calling a national assembly, he said some interesting things.

"It was not unexpected," he said, "as it had been arranged for some time. I believe it will have the effect of unifying the Russian people and cause them to stand behind the Government in whatever may be the outcome of the negotiations here. The people will see that we have made all the concessions possible. If the Japanese are not satisfied the people at home will know

that we must fight it out." Tuesday's meeting will be begun at 3 o'clock in the afternoon. There will be no morning session. The following explanatory bulletins were authorized by the

plenipotentiaries to-day: "In the sitting of this morning the conference has continued the discussion of Article XI. (limitation of naval power) and

has not finished. "In the afternoon session, not being able to arrive at an agreement on Article XI., the conference passed to the discussion of the last article (the demand for fishing rights off the Siberian coast), which has been settled unanimously. The next sitting will be held next Tuesday, Aug. 22, at 8 o'clock."

## KANEKO SEES PRESIDENT AGAIN.

As Usual, He Talks Pleasantly to Reporters, but Tells Nothing of His Mission. OYSTER BAY, Aug. 18.-Baron Kaneko commonly known as Japan's financial agent in the United States, to-day made his fourth visit here since the President's arrival in Oyster Bay. There is no doubt that the Japanese Baron has some important mission upon which he is working in this country. He began his visits to the President last winter and has kept them up ever

But nothing can ever induce Baron Kaneko to give the slightest hint as to his purpose. He tells the reporters he is just a simple; well meaning tourist who fell in love with this country and its people. At times he comes here simply to admire the landscape about Sagamore Hill. Then he comes to thank the President for a photograph. Then again he comes to bring the President his own photograph. His smile is always ignificantly childlike and bland.

To-day he confessed that he came for no reason at all. Having nothing to do be thought he would while away the time with the President. He knew nothing of what was going on at Portsmouth and inquired eagerly what the papers say about the peace conference. Judging from the Baron's own statements he is the mostignorant man in both hemispheres.

### CZAR'S ORDERS TO LINIEVITCH. Tells Commander in Manchuria to Prepare for Eventualities.

Special Cable Despatch to THE SUN. St. Petersburg, Aug. 18.-An imperial telegram has been sent to Gen. Linievitch expressing the Czar's cordial appreciation of his services and patriotism, and also directing him to be prepared for all eventualities. At the same time, Lieut.-Gens. Rennenkampf and Mistchenko are promoted

to be Generals of army corps. The spokesman of the Foreign Office announced that he had received no information to-day regarding the peace conference. The Foreign Office is already beginning to defend itself against the possible charge of responsibility for a rupture of the negotia-

### ENVOYS GUESTS OF THE STATE. Hotel Not Exploiting Pienipotentiaries -Citizens Stand as Guarantors.

PORTSMOUTH, Aug. 18.-The status of the envoys at the Hotel Wentworth is not usually understood. They are being entertained free of charge to themselves, but they are guests neither of the United States. New Hampshire nor the hotel management. A committee of private citizens is paying the freight until such time as the State of New Hampshire gets ready to shoulder the honor.

Gov. McLane said last night: "It is not true that the hotel is keeping the envoys free, as an advertisement. Several private citizens, including myself, are standing responsible for all the bills, for the present. We expect that the State will reimburse us. When they were invited as guests of New Hampshire the Legislature was not in session. As there was no appropriation for any such purpose we stepped forward.

"I could have got fifty men to put up

the money, had it been necessary. The Legislature meets in 1907. Even if they do not pass a special appropriation the hotel will not lose a cent. "We, as private citizens of New Hamp-

shire, will be the losers."

One of the men who is associated with